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UNCLAS HANOI 000650

SIPDIS

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SUBJECT: VIETNAM: MILLENNIUM CHALLENGE ACCOUNT DATA

REF: STATE 46075

[1](#)1. OVERALL BUDGET BALANCE: The IMF and GVN track the overall fiscal balance in three ways: 1) overall fiscal balance excluding onlending and capital costs of reform; 2) overall fiscal balance including onlending; 3) augmented fiscal balance including onlending and capital costs of reform. These numbers come from IMF Country Report 02/151. In trillions of Vietnamese Dong:

Method 1:	Method 2:	Method 3
1998 1): -0.5;	1998 2): -5.8;	1998 3): -8.2
1999 1): -3.3;	1999 2): -10.4;	1999 3): -10.4
2000 1): -12.0;	2000 2): -21.9;	2000 3): -21.9

IMF Preliminary Estimate:

2001 1): -15.8; 2001 2) -21.1; 2001 3): -21.1

[1](#)2. GOVERNMENT EXPENDITURES ON HEALTH: According to the Ministry of Finance budget data website, http://www.mof.gov.vn/solieu_e/2000.htm, the GVN spent 6.55 trillion Vietnamese Dong in 2000.

[1](#)3. GOVERNMENT EXPENDITURES ON PRIMARY EDUCATION: According to the Ministry of Finance budget data website, http://www.mof.gov.vn/solieu_e/2000.htm, the GVN spent 15.998 trillion Vietnamese Dong in 2000.

[1](#)4. GDP: The IMF Hanoi office provided these figures. At current market prices, in trillions of Vietnamese Dong:

1998: 360.6
1999: 399.942
2000: 441.646
2001: 481.296
2002: 536.097

[1](#)5. A number of issues with the above data exist. In addition to the unavailability of recent data, data is constantly in flux due to poor collection mechanisms. Furthermore, Vietnam has begun to decentralize some expenditures even though it has yet to establish a single accounting system for budget reporting, making central accounting even more difficult.

PORTER